

**FREQUENTLY ASKED QUESTIONS  
DODD-FRANK ACT--TEMPORARY UNLIMITED FDIC COVERAGE  
FOR NONINTEREST-BEARING TRANSACTION ACCOUNTS  
(INCLUDING IOLTA ACCOUNTS)**

**Updated as of January 21, 2010**

On December 29, 2010, President Obama signed into law an amendment to the Federal Deposit Insurance Act to include Interest on Lawyer Trust Accounts (“IOLTAs”) within the definition of “noninterest-bearing transaction accounts.” On January 18, 2011, the FDIC Board of Directors issued a final rule to implement this amendment, and on January 21, 2011 the FDIC issued Financial Institution Letter FIL-2-2011 to provide further guidance on the matter to insured depository institutions.

Please be aware that since the last version of the Frequently Asked Questions dated December 20, 2010, some questions have been added, deleted, and amended. Specific references to the IOLTA changes are reflected in the following summary and in FAQs 2, 8, 17-25, and 33-36.

On November 9, 2010, the FDIC Board of Directors (the “Board”) issued a final rule (the “November Final Rule”) to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“DFA”) that provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions (the “Dodd-Frank Provision”). The separate coverage for noninterest-bearing transaction accounts became effective on December 31, 2010 and terminates on December 31, 2012. The Dodd-Frank Provision and November Final Rule are discussed in Financial Institution Letter FIL-76-2010, issued November 9, 2010. The November Final Rule is published in the Federal Register at 75 Fed. Reg. 69577 (Nov. 15, 2010).

In issuing the November Final Rule, the Board confirmed it would not extend the Transaction Account Guarantee Program (“TAGP”) beyond its sunset date of December 31, 2010.

On December 29, 2010, President Obama signed into law an amendment (the “December 29 Act”) to the Federal Deposit Insurance Act (as amended by Section 343 of the DFA) to include Interest on Lawyer Trust Accounts (“IOLTAs”) within the definition of “noninterest-bearing transaction accounts.” As a result, IOLTAs will receive temporary unlimited insurance coverage at all FDIC-insured institutions (“IDIs”) from December 31, 2010 through December 31, 2012.

On January 18, 2011, the Board issued a final rule (the “January Final Rule”) to implement the December 29 Act. The January Final Rule is discussed in Financial Institution Letter FIL-2-2011, issued January 21, 2011.

The Dodd-Frank Provision is similar to the TAGP, except that it does not include low-interest Negotiable Order of Withdrawal (“NOW”) accounts. The Dodd-Frank Provision also differs significantly from the TAGP in that it applies at all IDIs with qualifying deposits.

The January Final Rule requires that by no later than February 28, 2011, each IDI that offers noninterest-bearing transaction accounts must post prominently an amended notice (see FAQ 17) in the lobby of its main office, in each domestic branch and, if it offers internet deposit services, on its website. The amended notice provides that noninterest-bearing transaction accounts are fully insured until December 31, 2012, and that IOLTAs are included in the definition of “noninterest-bearing transaction account.”

The November Final Rule required IDIs participating in the TAGP on December 31, 2010 to notify IOLTA customers by mail that IOLTAs would not receive unlimited insurance coverage starting January 1, 2011. The December 29 Act now includes IOLTAs in the definition of a “noninterest-bearing transaction account” entitled to temporary unlimited deposit insurance coverage. Financial Institution Letter FIL-2-2011 encourages (but does not require) IDIs who were participating in TAGP and sent individual notices to IOLTA holders advising that those accounts would not receive unlimited insurance coverage to send a revised notice explaining that IOLTAs will be fully insured through December 31, 2012. IDIs that have not already sent the individual notices need not send any such notice to IOLTA depositors.

### **Implementation of the Dodd-Frank Provision**

**1. How long will the full deposit insurance coverage for noninterest-bearing transaction accounts last?**

The Dodd-Frank Provision is effective from December 31, 2010 through December 31, 2012.

**2. What types of deposit accounts are included in the definition of a “noninterest-bearing transaction account”?**

All funds in noninterest-bearing transaction accounts held at IDIs will be fully insured under the Dodd-Frank Provision. A “noninterest-bearing transaction account” is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the IDI does not reserve the right to require advance notice of an intended withdrawal. The definition of “noninterest-bearing accounts” also includes IOLTAs and functionally equivalent accounts. Note: The unlimited coverage for IOLTA accounts only applies to those accounts established by an attorney, containing funds held by the attorney on behalf of one or more clients, where the accrued interest is paid to the state bar association or other organizations to fund legal assistance programs. All other fiduciary

accounts maintained by attorneys or other entities (for instance, IORTAs -- Interest on Realtor Trust accounts) are subject to the standard insurance limits.

The definition of a “noninterest-bearing transaction account” cannot include any interest bearing accounts, NOW accounts, or money market deposit accounts (MMDAs), except as expressly provided in 12 C.F.R. § 330.16(b) with respect to certain swept funds. The exception for swept funds is applicable only in situations where funds are swept from a noninterest-bearing transaction account to a noninterest-bearing savings account, notably a MMDA. Under the November Final Rule, such noninterest-bearing savings accounts into which funds are swept would be considered noninterest-bearing transaction accounts. Apart from this exception for “reserve sweeps,” MMDAs and noninterest-bearing savings accounts do not qualify as noninterest-bearing transaction accounts.

**3. How does the Dodd-Frank Provision differ from the expired TAGP?**

There are three important differences between the Dodd-Frank Provision and the TAGP:

- First, unlike the TAGP, the Dodd-Frank Provision applies to all IDIs with noninterest-bearing transaction accounts.
- Second, unlike the TAGP, the Dodd-Frank Provision does not include low-interest NOW accounts within the definition of noninterest-bearing transaction account.
- Third, unlike the TAGP, the FDIC will not charge a separate assessment (or premium) for the insurance of noninterest-bearing transaction accounts under the Dodd-Frank Provision.

**4. Does the temporary full deposit insurance coverage for noninterest-bearing transaction accounts cover all such accounts in the IDI regardless of ownership?**

Yes. The temporary deposit insurance coverage provided under the Dodd-Frank Provision applies to all noninterest-bearing transaction accounts at all IDIs, regardless of the account owner or ownership capacity.

**5. Must all IDIs make available to depositors noninterest-bearing transaction accounts that are fully insured under the Dodd-Frank Provision?**

No. IDIs are not required by any statute or regulation to provide noninterest-bearing transaction accounts to depositors. However, if an IDI does offer noninterest-bearing transaction accounts, those accounts are fully insured under the Dodd-Frank Provision; if an IDI provides noninterest-bearing transaction accounts it cannot opt out of the Dodd-Frank Provision.

**6.**

## **How will NOW accounts be insured?**

The FDIC insures NOW accounts (together with any other interest-bearing deposits held by the depositor at the same IDI) based on the depositor's ownership capacity.

### **7. How does the deposit insurance coverage on noninterest-bearing transaction accounts affect a customer's insurance coverage for other types of accounts?**

The insurance coverage on noninterest-bearing transaction accounts is separate from, and in addition to, the coverage provided for other accounts maintained at the same IDI. Funds held in noninterest-bearing transaction accounts will not be aggregated for purposes of determining deposit insurance coverage on the depositor's interest-bearing accounts. For example, if under the single ownership category a customer has \$500,000 in a noninterest-bearing transaction account and \$250,000 in a certificate of deposit, the FDIC would fully insure the entire \$750,000.

### **8. Are Interest on Realtor Trust Accounts (IORTAs) or similar accounts where an attorney/realtor holds client funds in trust also included within the definition of a noninterest-bearing transaction accounts?**

No. Only accounts established by an attorney, containing funds held by the attorney on behalf of one or more clients, where the accrued interest is paid to the state bar association or other organizations to fund legal assistance programs. All other fiduciary accounts maintained by attorneys or other entities (including, IORTAs) are subject to the standard insurance limits.

### **9. Are official checks included in the definition of a "noninterest-bearing transaction account"?**

Official checks issued by IDIs are included in the November Final Rule's definition of a noninterest-bearing transaction account. Official checks, such as cashier's checks and money orders issued by IDIs, are "deposits" as defined under the FDI Act (12 U.S.C. §1831(l)) and Part 330 of the FDIC's regulations. The payee of the official check (the party to whom the check is payable) or, if applicable, the party to whom the payee has negotiated the official check, is the insured party. Because official checks meet the definition of a noninterest-bearing transaction account, under the Dodd-Frank Provision, the payee (or the party to whom the payee has endorsed the check) would be insured for the full amount of the check through December 31, 2012 upon the failure of the IDI that issued the official check.

### **10. Are interest-bearing accounts that offer zero interest covered under the Dodd-Frank Provision?**

No. In general, only noninterest-bearing transaction accounts are covered. Whether an account is noninterest-bearing is determined by the terms of the account agreement and not whether the interest rate on an account may be zero percent at a particular point in time. If

an account agreement provides for the payment of interest, then regardless of any conditions or limitations relating to interest accrual or payment, the account will be treated as an interest-bearing account.

As of July 21, 2011, when pursuant to Section 627 of the DFA IDIs no longer will be prohibited from paying interest on demand deposit accounts, demand deposit accounts offered by IDIs that allow for the payment of interest will not satisfy the definition of a noninterest-bearing transaction account.

If on or after July 21, 2011, an IDI modifies the terms of its demand deposit account agreement so that the account may pay interest, the IDI must notify affected customers that the account no longer will be eligible for full deposit insurance coverage as a noninterest-bearing transaction account under the Dodd-Frank Provision. Moreover, this notice must be used in any other circumstance that results in deposits no longer being eligible for full temporary coverage of noninterest-bearing transaction accounts.

**11. Are accounts that waive fees or provide fee-reducing credits considered “noninterest-bearing” under the temporary Dodd-Frank Provision?**

The waiving of fees will not be treated as the earning of interest under the November Final Rule. For example, IDIs sometimes waive fees or provide fee-reducing credits for customers with checking accounts. Under the November Final Rule, such account features would not prevent an account from qualifying as a noninterest-bearing transaction account as long as the account otherwise satisfies the definition of a noninterest-bearing transaction account.

**12. Will “reward programs” offered by IDIs on noninterest-bearing checking accounts prevent such accounts from meeting the definition of noninterest-bearing transaction account?**

The answer will depend on the specifics of a particular reward program. The FDIC will look to current requirements and interpretations under Part 329 of its regulations (Interest on Deposits, 12 C.F.R. § 329) and interpretations under Regulation Q of the Board of Governors of the Federal Reserve System (12 C.F.R. § 217) to determine whether rewards provided in connection with transaction accounts will be considered interest paid on the account and, thus, disqualify an account for treatment as a noninterest-bearing transaction account.

**13. Can an account that now earns interest be converted to a noninterest-bearing checking account and upon such conversion be subject to full deposit insurance coverage as a noninterest-bearing account?**

If a deposit agreement is modified to convert an account to a noninterest-bearing transaction account as defined in the November Final Rule, then the account would be eligible for full deposit insurance as a noninterest-bearing transaction account through December 31, 2012.

**14. How will the FDIC apply the November Final Rule to determine the amount of insurance coverage available for revocable trust accounts, where some of the revocable trust accounts are noninterest-bearing transaction accounts and others are not?**

Coverage for revocable trust accounts, in general, is based on the number of “eligible” beneficiaries named in the account. The specific question is how the FDIC will “count up” the number of eligible beneficiaries to determine revocable trust account coverage for an account owner who has multiple revocable trust accounts, including one or more such accounts that qualify as noninterest-bearing transaction accounts under the Dodd-Frank Provision.

For example, if a depositor has an interest-bearing account with a balance of \$400,000 payable on death to a niece, and a qualifying noninterest-bearing transaction account with a balance of \$200,000 payable on death to a friend, how much coverage would be available for the accounts?

To make this deposit insurance calculation, the FDIC would first determine the total number of different beneficiaries the account owner has named in all revocable trust accounts (both interest-bearing and noninterest-bearing) at the same IDI. In this example, there is one owner and two beneficiaries (the niece and the friend). The FDIC would multiply the number of owners times the number of beneficiaries times the SMDIA of \$250,000 to determine the maximum coverage available on the account owner’s revocable trust accounts. In this example, the amount is \$500,000. We then would apply that amount to the total balance of the account owner’s interest-bearing revocable trust accounts. Because that amount is \$400,000, the interest-bearing payable on death account would be fully covered. The balance in the noninterest-bearing transaction account (in this case, \$200,000) would be separately and fully covered under the Dodd-Frank Provision.

**15. For public fund depositors, do IDIs only need to pledge on balances over the \$250,000 and not on noninterest-bearing transaction accounts?**

The FDIC will insure interest-bearing government/public unit deposits up to the \$250,000 limit. In addition, under the November Final Rule the FDIC will insure noninterest-bearing transaction accounts in full from December 31, 2010 through December 31, 2012. If an IDI is required to pledge collateral for public deposits, this requirement is imposed by state law and not by the FDIC’s regulations. The amount of collateral would depend upon the applicable state law. Any questions about state law should be presented to the applicable State regulator or State Department of Banking.

**16. How will IDIs be assessed for the cost of the temporary full deposit insurance coverage for noninterest-bearing transaction accounts?**

Because the Dodd-Frank Provision establishes a new, although temporary, form of deposit insurance coverage rather than a separate program for these accounts, the FDIC will not charge a separate assessment (or premium) for this insurance.

## **Disclosure Requirements of the Dodd-Frank Provision**

### **17. How will depositors be notified of the temporary FDIC insurance coverage for noninterest-bearing accounts?**

The November Final Rule required each IDI that offers noninterest-bearing transaction accounts to post, prominently, a copy of a specific notice (“Dodd-Frank Notice”) in the lobby of the IDI’s main office, in each domestic branch, and, if it offers Internet deposit services, on its website. The January Final Rule provides that the original Dodd-Frank Notice should be replaced with the following notice (the “amended Dodd-Frank Notice”):

#### **NOTICE OF CHANGES IN TEMPORARY FDIC INSURANCE COVERAGE FOR TRANSACTION ACCOUNTS**

All funds in a “noninterest-bearing transaction account” are insured in full by the Federal Deposit Insurance Corporation from December 31, 2010, through December 31, 2012. This temporary unlimited coverage is in addition to, and separate from, the coverage of at least \$250,000 available to depositors under the FDIC’s general deposit insurance rules.

The term “noninterest-bearing transaction account” includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It also includes Interest on Lawyers Trust Accounts (“IOLTAs”). It does *not* include other accounts, such as traditional checking or demand deposit accounts that may earn interest, NOW accounts and money-market deposit accounts.

For more information about temporary FDIC insurance coverage of transaction accounts, visit [www.fdic.gov](http://www.fdic.gov).

### **18. Is the FDIC supplying signage with the amended Dodd-Frank Notice, or do IDIs have to print their own signs?**

No. The FDIC will not be providing signage for the amended Dodd-Frank Notice. IDIs must print their own signage using the required language.

### **19. What is the deadline for posting the amended Dodd-Frank Notice?**

The January Final Rule requires that by no later than February 28, 2011, each IDI that offers noninterest-bearing transaction accounts must post prominently an amended notice in its main office lobby, branch office lobbies, and websites.

### **20. Can IDIs amend the text of the Dodd-Frank Notice?**

No. IDIs must utilize the specific language provided in FAQ 17 for the amended Dodd-Frank Notice to be posted in IDIs’ main offices, domestic branches and websites.

**21. Can the font or formatting of the amended Dodd-Frank Notice be modified?**

Yes. There is no specified font or formatting requirement for the amended Dodd-Frank Notice. The notice should be prominent, clear and conspicuous, so that it stands out and can be read by customers from a few feet away.

**22. Can an IDI include its logo or brand symbol in the amended Dodd-Frank Notice?**

Yes.

**23. Can the FDIC's press release serve as notice of the program?**

No. IDIs must use the specific language of the amended Dodd-Frank Notice for the mandated postings.

**24. For IDIs that offer internet banking services, does the entire amended Dodd-Frank Notice have to appear on the IDI's homepage?**

No. The amended Dodd-Frank Notice on an IDI's website notice can either be prominently posted in full on the IDI's home page or made available through a link designed to bring attention to the importance of the information. As an example, "Important Disclosure Regarding Deposit Insurance on Noninterest-bearing Transaction Accounts," with a link to the full amended Dodd-Frank Notice, would be an appropriate link.

**25. For how long must the amended Dodd-Frank Notice remain posted?**

The amended Dodd-Frank Notice must be posted by all IDIs through December 31, 2012, when the temporary unlimited deposit insurance for noninterest-bearing transaction accounts expires, as provided by the DFA.

**Notice Requirement for Account Modifications and Sweep Accounts**

**26. What type of action by an IDI would trigger the notification requirement under Section 330.16(c)(3) of the November Final Rule?**

This notice requirement is intended primarily to apply when IDIs begin paying interest on demand deposit accounts, as will be permitted beginning July 21, 2011, under Section 627 of the DFA. If on or after July 21, 2011, an IDI modifies the terms of its demand deposit account agreement so that the account may pay interest, the IDI must notify affected customers that the account no longer will be eligible for full deposit insurance coverage as a noninterest-bearing transaction account under the Dodd-Frank Provision. This provision also will apply to "sweep accounts" where funds are swept from a noninterest-bearing transaction account to an interest-bearing deposit account.



**27. How is a “sweep account” defined for purposes of this November Final Rule notice requirement?**

For purposes of the November Final Rule, the FDIC considers a “sweep account” to be an account held pursuant to a contract between an IDI and a customer involving the pre-arranged, automated transfer of funds from a deposit account that qualifies as a noninterest-bearing transaction account to an interest-bearing deposit account. This definition is intended to include sweep arrangements providing for the automated, recurring movement of funds, typically daily, between the noninterest-bearing transaction account and an interest-bearing account (for example, a savings account such as an MMDA). This definition does not include, for example, non-automated, customer-initiated transfers and transactions used to amortize a loan according to a designated payment schedule. So-called "target-balance" sweeps where, upon reaching a designated balance, funds are swept from a noninterest-bearing transaction account to an interest-bearing account would come within this definition of "sweep account."

**28. Under the November Final Rule, must IDIs notify existing and future sweep account customers that funds swept from a noninterest-bearing transaction account to an interest-bearing account will no longer be eligible for unlimited coverage under the Dodd-Frank Provision?**

Yes. Section 330.16(c)(3) of the November Final Rule requires IDIs to notify existing and future sweep account customers, whose funds are swept from a noninterest-bearing transaction account to an interest-bearing deposit account, that the swept funds will not be eligible for unlimited coverage. As with the other provisions of the November Final Rule, this notice requirement would apply only until December 31, 2012, the termination date of the Dodd-Frank Provision.

Sweep arrangements requiring this notice include the following:

- "Target-balance" sweeps where, upon reaching a designated balance, funds are swept from a noninterest-bearing transaction account to an interest-bearing account.
- Automated, recurring transfers of funds from a noninterest-bearing transaction account to an interest-bearing account specifically provided for in a deposit agreement signed by the customer.

The following types of arrangements will not require notification under Section 330.16(c)(3):

- *Ad hoc* transfers of funds (not provided for in the deposit agreement) from a noninterest-bearing transaction account to an interest-bearing account, where the transfer is initiated by the customer, whether on-line or in-person at the IDI.
- “Round-up” arrangements consisting of small transfers of funds to a consumer savings account based solely on debit card usage.

- Pre-arranged periodic transfers of funds initiated by the customer, whether on-line or in person, that are not part of the deposit agreement (for example, where a customer establishes a noninterest-bearing transaction account and thereafter opts to have funds transferred on a monthly basis to an interest-bearing account).
- Prearranged periodic sweeps or transfers from a noninterest-bearing transaction account to make loan or other bill payments.
- Transfers initiated by an IDI for overdraft purposes.
- Sweeps to repurchase accounts or money market mutual funds. (These are covered under Section 360.8(e).)

**29. Under the November Final Rule, must IDIs notify existing and future customers that have sweep accounts where funds are swept from a noninterest-bearing transaction account to a non-deposit account, such as a repurchase agreement or money market mutual fund outside the IDI?**

No. The notice requirements in the November Final Rule do not extend to such sweep products; however, a customer notification regarding such sweep accounts is required annually under Section 360.8(e) of the FDIC's regulations (12 CFR Section 360.8(e)).

**30. Are there any specific requirements regarding the form and/or content of this November Final Rule required notice to depositors?**

No. Although notifications are mandatory, the November Final Rule does not impose specific requirements regarding the form of the notice. Rather, the FDIC expects IDIs to act in a commercially reasonable manner and to comply with applicable state and federal laws and regulations in informing depositors of changes to their account agreements.

**31. Will funds swept out of a noninterest-bearing transaction account to a noninterest-bearing savings account such as a noninterest-bearing MMDA (also known as a "Reserve Sweep") receive temporary full deposit insurance coverage under the Dodd-Frank Provision?**

Yes. Under the November Final Rule, such noninterest-bearing savings accounts into which funds are swept would be considered noninterest-bearing transaction accounts.

### **Termination of the TAGP**

**32. Did the FDIC extend the TAGP beyond its expiration date of December 31, 2010?**

No. The FDIC did not extend the TAGP beyond its sunset date of December 31, 2010. On the same day that the TAGP expired – December 31, 2010 – the Dodd-Frank Provision

became effective. There was a one-day overlap of the TAGP and the Dodd-Frank Provision.

**33. What are the disclosure requirements relating to the expiration of TAGP?**

In order to avoid potential depositor confusion about the change in the FDIC's treatment of NOW and IOLTA accounts, the November Final Rule originally required that all IDIs participating in the TAGP on December 31, 2010 provide individual notices to both IOLTA and NOW account depositors whose accounts were fully guaranteed under TAGP that those accounts would not be fully insured under the new Dodd-Frank Provision. Pursuant to the December 29 Act, IOLTAs are now insured as noninterest-bearing transaction accounts through December 31, 2012. Financial Institution Letter FIL-2-2011 provides for IDIs that were participating in the TAGP at year-end 2010 that:

- if they have not already sent the required individual notice, they need not send such notice to any IOLTA depositors; and
- if they have already sent the required individual notice, they are encouraged (but not required) to send a revised notice to IOLTA depositors explaining that IOLTAs will be fully insured through December 31, 2012.

Any notice sent should be by mail, except that IDIs may use electronic mail for depositors who ordinarily receive account information in this manner.

**34. What is the date by which the above notices should be transmitted to IOLTA and affected NOW account depositors?**

The TAGP termination notice should have been transmitted to affected NOW account depositors by mail on or before December 31, 2010.

**35. Is there specific language that IDIs should use in providing the revised IOLTA notice?**

No. For IDIs that decide to send revised notices to IOLTA customers, there is no specific wording or mandated language associated with this notice. In fact, the individual notices may be in the form of a copy of the amended *Notice of Changes In Temporary FDIC Insurance Coverage For Transaction Accounts* (the amended Dodd-Frank Notice) set forth in FAQ 17.

**36. How are the revised IOLTA notices to be transmitted?**

For IDIs that decide to send revised notices to IOLTA customers, there is no mandated form of delivery. For example, IDIs may send the notice by including it with or printing it on their depositors' statements or general account notices

**37. Were IDIs participating in TAGP at year-end 2010 required to use specific language in providing the TAGP termination notice to affected NOW account depositors?**

No. There is no specific wording or mandated language associated with this notice. In fact, the individual notices could have been in the form of a copy of the *Notice of Changes In Temporary FDIC Insurance Coverage For Transaction Accounts* (the Dodd-Frank Notice) required to be posted in all IDIs main offices, branches and websites.

**38. Was a separate TAGP termination notice required for each individual accountholder of a jointly held NOW account?**

No. IDIs should mail the notice to the mailing address(es), as designated on the joint account.

**39. Were multiple TAGP termination notices required if a single accountholder had more than one NOW account with a TAGP participating bank?**

If depositors have more than one affected account, one notice is sufficient if it identifies (or otherwise references) all the applicable accounts.

**40. Did all NOW account depositors of TAGP participating banks need to be mailed the notice? What about NOW accountholders with less than \$250,000 in deposits at a TAGP participating bank?**

The November Final Rule requires that this notice was to be provided to NOW account depositors whose deposits were guaranteed in full by the TAGP as of December 31, 2010. This would have included all NOW account depositors with an interest rate of one-quarter of one percent (.25%) or less, regardless of account balance.

**41. Were the notices required for NOW account depositors earning interest in excess of one-quarter of one percent (.25%) at a TAGP participating bank?**

No. IDIs were only required to mail the notice to NOW accountholders whose accounts were guaranteed in full by the TAGP on December 31, 2010. Since the TAGP fully guaranteed only those NOW accounts with interest rates of one-quarter of one percent (.25%) or less, NOW accounts earning more than one-quarter of one percent (.25%) were excluded from the notice requirement.

**42. How were the individual notices to each affected NOW account depositor to be transmitted?**

The notice was required to be by mail, except that IDIs could use electronic mail for depositors who ordinarily receive account information in this manner.

**43. Could the TAGP termination notice to individual NOW account depositors have been mailed together with and included as part of the monthly account statements or with other account notices?**

Yes. The November Final Rule did not require this notice to be sent as a separate mailing. In lieu of mailing the notice in a separate document, IDIs could have provided the notice by including it with or printing it on their depositors' statements or general account notices.